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Africa Review

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Articles have been coordinated as appropriate with other offices within CIA. Comments and queries regarding this publication may be directed to the Chief, Production Staff, Office of African and Latin American Analysis

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Articles

West Africa: Islamic Revival

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The Islamic revival in West Africa has been felt most strongly over the past three years in Nigeria and Senegal. Islamic fundamentalism—opposing the traditionally powerful Sufi brotherhoods—is gaining strength rapidly in the Nigerian Muslim community. In Senegal, the traditional brotherhoods themselves, as well as independent fundamentalist associations, have increased their activities. These Islamic communities have become more exposed during the period to radical and fundamentalist theologies of the Middle East and North Africa. Iran has emerged as the revival's principal source of inspiration, and Libya, buoyed by successes in Chad, is redoubling its efforts. The Saudis, though plagued by budgetary constraints, continue to provide vital economic assistance to Muslim communities.

Over the next two years, economic crises and rising levels of public frustration, together with the fundamentalists' efforts to proselytize, will threaten fragile political regimes in several West African countries. Tensions between and within fundamentalist and traditional Muslim groups in Nigeria will challenge government control despite the regime's attempts to preempt some aspects of Muslim reform and to control religious violence. Although Senegal has intervened forcefully to restrict extremist fundamentalist activity, Dakar will find it more difficult—as its economy contracts—to maintain the needed loyalty of brotherhood leaders whose support is dependent on government patronage. The growth in Islamic influence will provide opportunities for Iran and Libya to extend their activities in the region, resulting in increasing anti-Western sentiment and possibly terrorism targeted on US installations, in our view. In the longer term, as numbers of fundamentalists grow, national political leaders will come under pressure to incorporate Islamic institutions into state structures.

Islam is the fastest growing religion in Sub-Saharan Africa and gains new adherents each year at the expense of Christianity and African traditional religions. Muslims in West Africa number some 60 million people, and, in our judgment, are becoming more receptive to militant forms of Islam. The Islamic resurgence is spread by an effective Muslim missionary effort involving local fundamentalist leaders as well as Iran, Libya, and Saudi Arabia. Proponents of Islamic fundamentalism hope ultimately to establish Islamic institutions on a national and regional scale. The Muslim communities in Nigeria and Senegal now comprise the majority in each country and are in the vanguard of the revival. US Embassy reporting suggests that Islamic proselytizers find a receptive audience among many Nigerians and Senegalese, who are alienated by the forces of modernization and rapid urban growth, and disillusioned with entrenched Western-oriented elites whom they blame for corruption and deteriorating living conditions.

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Nigeria

Most fundamentalists in the Nigerian Muslim community seek Islamic reform at the expense of the traditional brotherhoods' mysticism and pragmatic mixing of Islamic and local tribal custom. The fundamentalists espouse simple prescriptions for national renewal and reportedly are drawing thousands of young people away from the brotherhoods. Nevertheless, the fundamentalists have yet to come up with a leader or formula that will overcome the ideological divisions within Nigerian Islam and enable them to produce religious or political change on a national scale.

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Among the most politically influential are two separate fundamentalist groups directed by the same leader that serve different purposes—one to organize

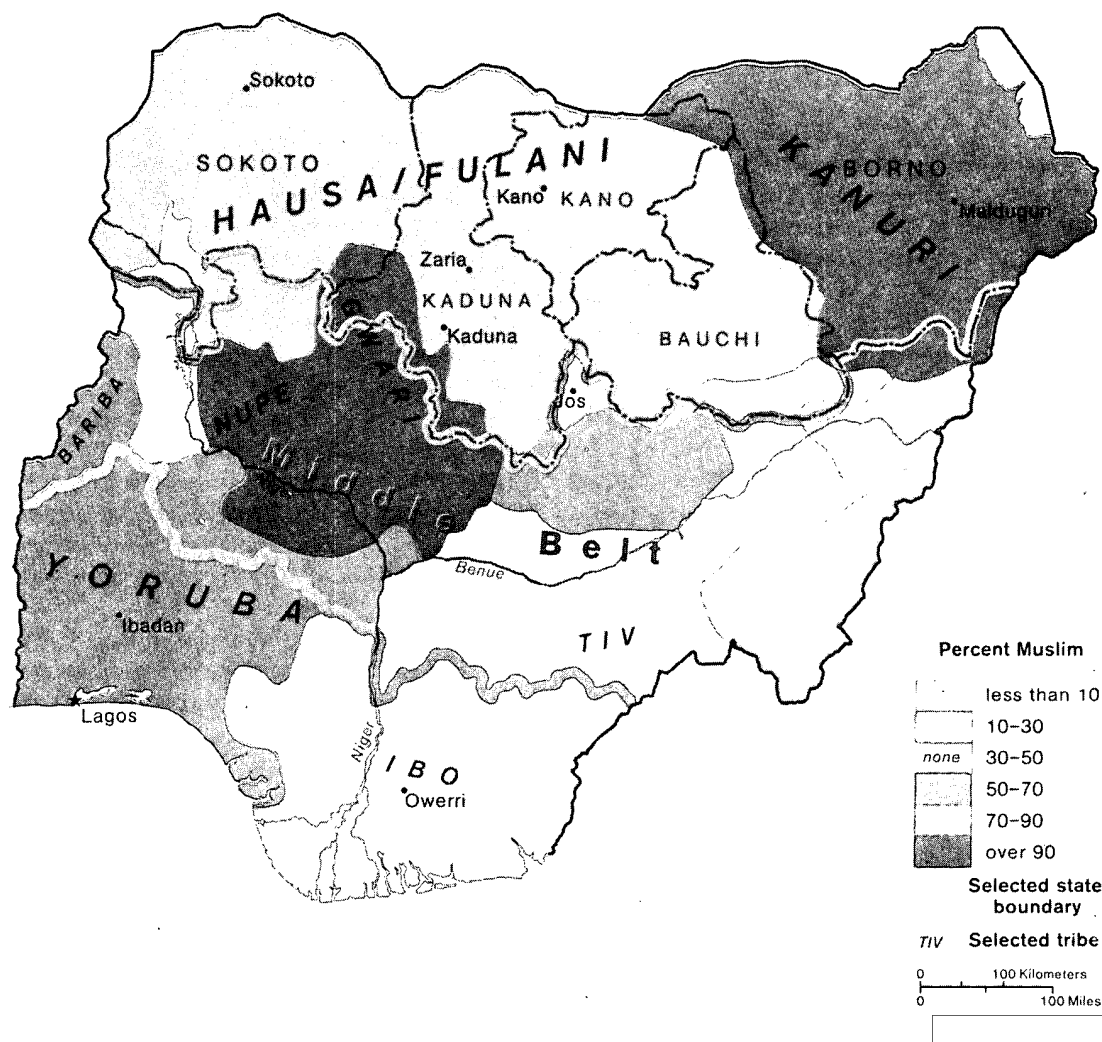
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NIGERIA Muslim Distribution



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at the local level and the other to promote Islam at the national level of government.

The Izala. The principal fundamentalist organization at the local level is the *Jama'atul Izalatul Bid'a* (Izala). Its religious orientation is Wahabi—the 200-year-old form of Islamic revival that originated in Saudi Arabia—and the group receives substantial

financial and moral support from the Saudis, according to US Embassy reports. The Izala was founded by followers of Abubakar Gummi, a Muslim lawyer and preacher at the Kaduna city mosque, who has established himself as the intellectual and spiritual leader of Islamic reform in Nigeria, and comes the closest to exercising national leadership within the diverse Nigerian Muslim community.

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The Izala is the fastest growing Islamic group in Nigeria—its meetings attract thousands of participants, according to Nigerian press sources—and is intensely involved in proselytization among members of other Muslim groups and nonbelievers. Late last year, the Izala organized a large meeting in Kano that the Kano State military governor agreed to attend before the rally was canceled for security reasons. By trying to involve a government figure, according to US Embassy reporting, the Izala sought to claim official sanction for its challenge to the Tijaniya brotherhood in the latter's stronghold. []

The JNI. While Izala has developed a base of grass-roots support in northern Nigeria, another fundamentalist organization, the *Jama-atul Nasril Islam* (JNI)—which also is heavily backed by Saudi Arabia—has tried to gain influence from within the government, the media, and centers of economic power, according to US Embassy sources. The JNI was established by Abubakar Gummi in 1962, with interlinked religious and political objectives, drawing its membership from northern elites. The brotherhoods claim that Gummi is using the organization to seek national political power under the cloak of Islam. Gummi has been sent on several important missions abroad by the Buhari regime—including its first mission to Saudi Arabia after the 1983 coup. US officials characterize Gummi as an Islamic purist and political moderate who is willing to sacrifice immediate political gains for the sake of Islamic principles. []

The JNI has close ties with influential northern Nigerian political and commercial leaders. We, and the US Embassy, believe that JNI's underlying goal is to bring all Islamic activity in the country under the control of a small group of northern religious leaders, senior civil servants, and businessmen led by Gummi. The Nigerian press reports that the JNI directs the annual hajj to Mecca of some 20,000 Nigerians. []

Muslim Student Groups. Islamic fundamentalism is spreading rapidly on school and university campuses in northern Nigeria. []

[] Many students express disapproval of the Westernized culture of Nigeria's ruling elites and idealize the values of village life and purified forms of Muslim asceticism. Members of the

Muslim Student Association, most prominently at Ahmadu Bello University in Zaria and Bayero University in Kano, espouse the most radical fundamentalist theology in Nigeria and have staged demonstrations to extol Iran's revolution and demand a purge of Nigeria's political and religious leadership. Islamic student radicals have attacked police and members of conservative Islamic groups, and created tensions between Muslims and Christian minorities both on campuses and in surrounding communities in the north. []

Many Muslim students seek ties with fundamentalist groups outside the universities—particularly the Izala— []

[] nearly one-third of northern Nigeria's Muslim students now belong to the Izala and indicate that a student-Izala nexus could provide a flashpoint for civil unrest in the north in the future. []

We believe continuing tensions between Muslim groups, set against a background of growing economic and social strains in Nigeria, have contributed to the rise of the *Followers of Maitatsine Marwa*. The group, which has caused thousands of deaths in several incidents of major violence that have required Army and Air Force intervention to suppress, is outlawed by the government and is universally condemned by other Muslims as heretical. The group's leader and an estimated 7,000 of his followers were killed during an uprising in Kano in 1980. Last year, a rampage by Maitatsine members in Gongola state in northeastern Nigeria caused some 2,000 deaths, according to Nigerian press accounts. Recently, government forces were called in again to suppress an outbreak of Maitatsine rioting that, according to Nigerian press reports, took over 100 lives at Gombe in the northeastern state of Bauchi. The Nigerian press claims that there are Maitatsine cells in virtually every major city in the north, as well as in Lagos and other coastal cities. The group appeals primarily to the young, rootless, and unemployed, many of whom come from other countries and have returned to Nigeria since Lagos expelled large numbers of foreign Africans in 1983.

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The Buhari government recently ordered tens of thousands of illegal West African immigrants to leave by mid-May, however, which may reduce Maitatsine strength temporarily. []

The Buhari government has used the Islamic brotherhoods, particularly the Qadiriya, to rally support for its policies and to control northern populations during the past year. In addition, the regime has sought to associate its campaign against corruption, the so-called War Against Indiscipline, with Islamic reformist ideals in an effort to rally support at mass meetings on northern university campuses and among fundamentalist groups. []

Senegal

Radical fundamentalism has been slow to develop and spread in Senegal. The US Embassy reports that the Senegalese Muslim community is highly organized and continues to be dominated by the traditional Sufi brotherhoods. Until recently, the principal brotherhoods—the Muridiya and Tijaniya—were able to exclude the fundamentalist revival from Senegal by actively discouraging radical influence. Within the last two years, however, []

[] fundamentalist fervor is appearing within both brotherhoods and in small groups of political radicals in Dakar. The brotherhoods, however, still can offer their members devotional activity and also organize agricultural production and marketing, provide access to political patronage and financial credit, and represent them to state authorities. So far, the fundamentalists cannot begin to deliver equal services. []

[] Muride leader Lahat Mbake himself has begun to project some of the fervor of the Islamic revival, requiring his followers to purify religious practices and enforce prohibitions on alcohol and tobacco. Mbake is building a university devoted to Arabic studies at Touba, the Muride's principal city. []

[] Muride students at the university and secondary schools in Senegal's principal towns have formed an association for the purification of Islam. []

A more extreme group of Iranian- and Libyan-backed fundamentalists within the Tijaniya has established a cultural center in Dakar and publishes several

journals, []

[] Principal figures are Sidy Lamine Niasse, his brother Ahmed—the self-styled “Ayatollah of Kaolack,” and ‘Abd al-Mun’in al-Zayn, the leader of the Lebanese Shiite community in Dakar. Their followers include students and teachers at the University of Dakar and civil servants who are reacting against what they perceive as encroachment on government prerogatives by the brotherhoods, []

President Diouf—an adherent of the traditional Tijaniya—has tried to promote cooperation between the brotherhoods and to restrict extremist fundamentalist activity, according to US Embassy reports. He has imprisoned both the Niasse brothers for subversion in the past, and warned Lebanese Shiites that ties with Iran and Libya will not be tolerated. []

As the Senegalese economy contracts, we believe Diouf will find it more difficult to control the Muslim community and maintain the needed loyalty of brotherhood leaders, whose support is dependent on government patronage. The US Embassy reports that the economic slump has lowered the living standards of the peasant and urban followers of both Muridiya and Tijaniya, who demand an ever larger share of the diminishing economic pie. Academic observers report that the Muridiya's attitude toward the government is increasingly ambivalent. Muride leader Mbake did not oppose Diouf in the 1983 elections, but has since made known his dissatisfaction with the government's economic policies, []

In our view, greater religious activism and competition poses a growing threat to Senegal's fragile political order as the government seeks to impose an economic austerity program that has brought its popularity to an alltime low. The aggressiveness with which the Murides proselytize provokes resentment among other religious groups and caused riots in 1978 and 1980. []

[] divisions between the brotherhoods have sharpened during the past few years as their membership has reached a rough parity.

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Distribution of Islamic Brotherhoods

The map illustrates the geographical spread of two primary Islamic brotherhoods in Senegal: Tijaniya and Muridiya. The distribution is categorized by the percentage of the total population belonging to each group.

| Tijaniya Brotherhood | | | | Percent of total population |
|----------------------|---------------|--------------|--------------|-----------------------------|
| over 80 | 80-60 | 60-40 | less than 40 | |
| [Dark Grey] | [Medium Grey] | [Light Grey] | [White] | none |
| [Dark Grey] | [Medium Grey] | [Light Grey] | [White] | less than 40 |
| [Dark Grey] | [Medium Grey] | [Light Grey] | [White] | 40-60 |
| [Dark Grey] | [Medium Grey] | [Light Grey] | [White] | 60-80 |
| [Dark Grey] | [Medium Grey] | [Light Grey] | [White] | over 80 |

PEUL Tribal name

Manding

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past three years, as Saudi Arabia, Libya, and Iran have competed for influence. In our judgment, Iran has emerged as the Islamic revival's principal source of inspiration in the region. Moreover, we note that Libya—buoyed by getting France to withdraw its troops from Chad last year—has redoubled efforts in West Africa.

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Nevertheless, the Iranians and Libyans confront important barriers that slow and frustrate their efforts. Still-powerful traditional Muslim leaders and conservative government officials are hostile to outside radical influences and seek to limit inroads by the Iranians and Libyans. There is also active opposition by moderate Arab and Western governments that are important sources of aid and investment for Nigeria and Senegal. []

Iran. We believe that longstanding rivalry between the Saudis and Libyans for influence in Nigerian and Senegalese Islamic communities has been partially superseded over the past two years by an increasingly active Iranian presence. []

[] Tehran appears to have assigned a high priority to both Nigeria and Senegal because of their large Muslim populations and regional influence. In our judgment, the increase in Iranian activity reflects Tehran's determination to spread its revolutionary ideology and enhance its international influence. []

The Iranians have built networks of sympathizers in Nigeria and Senegal among Muslim fundamentalist groups, expatriate Lebanese Shiite communities, and university students. []

[] Iranian delegations and embassy personnel are recruiting candidates for military and religious training in Iran and introducing propaganda at universities. [] the Iranians plan to establish a cultural center in northern Nigeria that would give them direct access to the local Muslim community. In Senegal, [] the Iranians have developed a small, but active, group of sympathizers []

[] among students and teachers at the University of Dakar, and within the Lebanese Muslim community in the capital. Tehran has given generous amounts of financial support to Senegalese Muslim brotherhoods and, according to the Senegalese press, has brought a number of brotherhood members to visit Iran. []

Early this year the Senegalese Government shut down the Iranian Embassy in Dakar because of alleged subversive activity, according to the Senegalese press. Since then, []

[] Iranian activity has receded somewhat. Nevertheless, several Iranian-sponsored publications continue to appear, and [] Tehran's Islamic Cultural and Social Institute in Dakar still functions. []

Libya. Libya has become much more active in West Africa over the last three years, after having been on the defensive following widespread African condemnation of its invasion of Chad in 1980 and its attempt a year later to transform its embassies into "Peoples' Bureaus." In Nigeria, the Islamic Trust, a northern-based Muslim association that has channeled funds from Saudi Arabia for welfare needs, reportedly is negotiating with the Libyans for aid in excess of \$1 million to support projects within the Muslim community. The group is led by members of the northern elite, including former government officials and the current Minister of Commerce. Furthermore, []

[] General Buhari's northern Muslim-based military government has acceded to a Libyan request to open an Islamic religious studies center in Kano. The city, in the heart of Nigeria's predominantly Muslim north, has a long-established community of Libyan traders and has been the site in recent years of frequent doctrinal disputes and clashes between rival Islamic sects. The center, []

[] will be headed by a former Libyan Ambassador to Nigeria who has close family and political ties with the Kano Muslim community. We believe the center will offer Tripoli opportunities to exploit local Islamic rivalries, develop contacts with Islamic student radicals, and assist Chadian dissidents in northeastern Nigeria opposed to Chadian President Habre. []

In our view, Nigeria is willing to gamble on an expanded Libyan presence in the north, perhaps in part because Buhari may be under pressure from radical elements in the Muslim community. We believe Lagos also may hope that Tripoli will breathe life into an agreement signed last year that calls for the establishment of a joint bank and holding company, thereby providing Nigeria with much-needed financial aid. []

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The US Embassy reports that Tripoli is pushing Senegal to accept some form of renewed official representation after having successfully convinced The Gambia—Dakar's reluctant partner in the nascent Senegambia confederation—to accept a Libyan presence last March. Senegal and The Gambia both broke relations with Libya in 1980, charging Tripoli with fomenting subversion. Nevertheless, Tripoli continued to provide financial support to Senegal's small Niassene Islamic fundamentalist movement, according to US Embassy sources, and has established ties with the Muride brotherhood. []

The Gambia, a weak ministate enclosed within Senegalese territory, is particularly vulnerable to Libyan activity, in our view. Although the Gambian Government recently turned down Tripoli's request to open a Peoples' Bureau in Banjul, it accepted a Libyan-staffed Islamic Call Society office specifically mandated as a liaison with religious organizations, according to US Embassy sources. The Call Society was created by the Islamic Conference Organization of Islamic States in 1970 to promote Islam through peaceful means. The group has been taken over by Libyan leader Qadhafi, who uses it to support subversion and intelligence activities. The US Embassy reports that the location of a Libyan base of operations in Banjul is worrisome to the Senegalese who suspect it will be used to step up funding and support for radical Islamic fundamentalists in Senegal. We note, however, that Senegal still maintains troops in The Gambia—introduced to suppress a radical coup attempt in 1981—which should enhance Dakar's ability to keep a close watch on Libyan activities. []

Saudi Arabia. US Embassy reporting indicates that the Saudis now regard Iran as a greater threat than Libya to their interests in West Africa. []

[] the Saudis appear to be continuing support at previous levels both to the Nigerian and Senegalese governments and to politically conservative Islamic groups in each country. []

Despite budgetary constraints caused by the soft oil market, the Saudis continue to provide vital financial assistance to Senegal, including \$86 million last year,

that helps Dakar comply with its tough IMF-endorsed program of economic reform and recovery. The Saudis provide the Muslim community with scholarships to universities in Mecca and Medina, and sponsor Tijani mosques and Koranic schools throughout the country, according to Senegalese press reports. Furthermore, the Saudis assist many of the more than 3,000 Senegalese pilgrims making the hajj to Mecca each year, according to the Senegalese press. []

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Relations between Riyadh and Lagos, however, are strained at present because of Lagos's recent recognition of the Polisario Front and its refusal to abide by OPEC production guidelines. The US Embassy reports that Riyadh continues to support Nigerian Islamic organizations such as the Jama-atul Nasril Islam and the Izala—whose leadership is sympathetic to the regime and to Saudi foreign policies. The Jama-atul Nasril Islam works particularly closely with Riyadh in organizing the annual hajj, according to the Nigerian press. []

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Prospects

In our judgment, per capita economic growth in West Africa is likely to decline for the remainder of the decade, giving wider scope for political instability in countries beset by such problems as corruption, mismanagement, and ethnic and religious cleavages. We believe that the spread of Islamic fundamentalism, with its simplistic promises of economic and political recovery, will increase the appeal of radical ideologies, particularly in Nigeria and Senegal, if Western-oriented leadership elites fail to stem deteriorating living conditions. []

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The fundamentalists' intense commitment to proselytization probably will result in increased levels of violence. As other, more traditional, Islamic groups shrink in size and as fundamentalist numbers rise, we believe national leaders will come under increasing pressure over the next few years to incorporate Islamic institutions, such as Islamic courts, into secular political structures. Eventually, in our view, support for the transformation of Nigeria and Senegal into Islamic states—which is the militants' ultimate goal—will grow as the number of fundamentalist

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Muslims increases. If either of these states adopts Islamic features or, ultimately, an Islamic constitution—which could trigger a civil war in Nigeria—it would stimulate similar activity by Muslims elsewhere in black Africa.

We believe Islamic radicals are likely to regard their countries' political, economic, and military dealings with the West more skeptically than present government leaders. The Islamic revival is usually characterized by antimodern and anti-Western thinking, although only the fringes go as far as the extremes adopted by Iranian and Libyan sympathizers. The probability of growing anti-Western bias will increase as militant followers of Khomeini's revolutionary ideology now in the universities eventually fill positions of influence in bureaucracies and cabinets that traditionally have been friendly to the West.

The Islamic revival will provide greater opportunities for Iran and Libya to extend their activities in the region. Radicalized Islamic communities, in our judgment, will aggravate longstanding ethnic and religious jealousies, increase the potential for widespread violence, and pose greater threats to the moderate governments. In our estimate, Iranian- and Libyan-supported terrorism, utilizing Islamic fundamentalist cells and targeting US Embassies and diplomats, is likely to become a more serious danger. As Islamic radicals in West Africa acquire international contacts and expertise, they will be able to advance their interests by initiating clandestine activities.

Nevertheless, we believe Iran and Libya will face continued opposition to efforts to broaden their base of support. In our judgment, the more publicity their activities receive—through student demonstrations or civil disturbances between Islamic militants and conservatives, the greater resistance they will meet in other sectors of society. Both the Nigerian and Senegalese governments, as well as traditional Muslim leaders, will be wary of external radical influences in Muslim communities.

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Nigeria: Relations With the IMF

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The 15-month-old Buhari regime, which is afraid of the political impact of imposing further austerity measures on an already grumbling populace, continues to resist IMF preconditions for a Fund-supported program despite a worsening financial crisis. The government not only faces lower oil earnings and rising debt service, but also must deal with the consequences of economic mismanagement by its predecessor. Under the former Shagari government, Nigeria's foreign exchange reserves were depleted and about \$9 billion in trade arrears accumulated because Lagos failed to reduce spending quickly enough when oil income began to fall sharply.

Lagos currently lacks the foreign exchange to pay its debts, purchase food, supply inputs for production, and finance the upkeep of billions of dollars of existing investment. Head of State Buhari has made drastic cuts in imports—with \$4 billion planned for 1985 compared to \$19 billion in 1981—but food and debt service alone will consume about two-thirds of hard currency earnings during 1985, according to US Embassy estimates. Although an IMF agreement would not solve the basic structural economic problems in Nigeria, it would relieve the foreign exchange struggle by:

- Providing up to \$3 billion in IMF loans.
- Allowing disbursement of a \$300 million Structural Adjustment Loan from the World Bank.
- Permitting the conversion of approximately \$3 billion in officially guaranteed trade debt to medium-term debt; Paris Club governments have refused to restructure this short-term debt until Lagos has an agreement with the IMF.
- Facilitating the rescheduling of medium- and long-term debt when payments become unmanageable, as banking sources expect in 1986. Commercial creditors also have been hesitant to reschedule such debts without an IMF role.

- Encouraging short-term lines of credit to remain open so that Lagos can purchase essential goods.

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Lagos believes that it should receive IMF assistance because it already has imposed severe austerity on Nigerians by restricting imports and making deep budget cuts for the second consecutive year. The Fund, however, wants Nigeria to focus on measures aimed at restructuring trade, controlling imports, encouraging manufacturing exports, and reviving agricultural exports. Such a program eventually would end Lagos's nearly total dependence on oil for exports, but the frequent—sometimes violent—changes in government have led Nigerian regimes to eschew long-term considerations because of a preoccupation with ensuring their immediate survival.

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Negotiations with the Fund are stalled over Nigeria's refusal to accept three pivotal IMF requirements: devaluation of the naira by up to 60 percent, an end to petroleum subsidies—Lagos sells crude oil domestically for \$11.30 per barrel—and liberalization of trade regulations. The Buhari government has accused the IMF of wanting to destabilize the country, claiming that the inflationary impact of devaluation, in particular, would result in political chaos.

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Controversy Over Devaluation

Pressure for a devaluation of the naira began when Nigeria first approached the IMF for assistance under the Shagari government in 1982. Lagos, however, has been unwilling to risk the political consequences of the price explosion that probably would follow a devaluation of up to 60 percent, the level desired by the IMF.

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In our view, the Buhari government has missed several opportunities to devalue the naira when the regime could have done so with fewer political risks. These include:

- Immediately after the coup in December 1983 when Nigerians had high expectations for improvement and the government probably was at the peak of its popularity.
- At the beginning of a currency conversion period in April and May 1984, when all naira notes in circulation were replaced by new, differently colored notes.
- When the US dollar began its rapid rise against all major currencies in October 1984.

The IMF commonly includes a devaluation of the local currency as part of its comprehensive economic adjustment programs, particularly for debtor LDCs. The goal of the devaluation is to improve the country's balance-of-payments performance by making its exports cheaper in foreign currencies while discouraging imports by making them more expensive. The expected result is a strong trade surplus and more hard currency with which to pay debts.

The regime argues that a Nigerian devaluation will not work. Because oil is denominated in US dollars, a devaluation would not increase the competitiveness of Nigeria's principal export. The manufacturing sector is small, and agriculture is affected by weak markets. Imports already have been reduced to minimum levels. Devaluation, Lagos insists, would only increase the cost of domestically produced goods in Nigeria, cause higher inflation, and precipitate economic and political chaos. The Nigerians also are convinced that devaluation would cause a surge in food prices, particularly in import-dependent urban areas, that could lead to social unrest and threaten the survival of the government.

Exchange Rate Policy Under Buhari

The Nigerian preference has been for a gradual downward float of the naira, a policy that so far has not worked. Although the naira did fall 7.4 percent against the US dollar in 1984, the inflation differential pushed the real effective exchange rate up by an average of 23 percent in 1984 over the 1983 average. The Nigerian

Central Bank sets the value of the naira by using a basket of seven currencies in which the US dollar has an overwhelming weight, causing the naira to follow the dollar closely. Thus, the downward float has barely kept pace with the strong dollar in 1984 and has not compensated for the widening spread between inflation in Nigeria and the countries whose currencies are in the basket.

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Consequences of the Overvalued Naira

Nigeria's overvalued currency is a major factor in its immediate economic crisis, in our judgment. In addition to encouraging consumption of imports and retarding the development of agriculture and resource-based industries—because imports are cheap—the overvalued naira encourages widespread illegal activity, including bribery, smuggling, and currency speculation. It also reduces government control over the economy by encouraging the growth of a wide array of activities in the informal economy. Traders in Nigeria and in neighboring countries ignore the official exchange rate and operate at the free market rate of up to 4 or 5 naira to the US dollar versus the official rate of 0.794 (January 1985). Cross-border trade and currency transactions are based on free market rates between the naira and the CFA franc, a convertible currency used in Benin, Togo, Niger, Chad, and Cameroon. This favorable exchange rate allows Nigerians to sell their produce in neighboring countries for four to five times as much as possible at Nigerian official rates.

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Although Nigeria's border closings in early 1984 have reduced black-marketeering, it still persists:

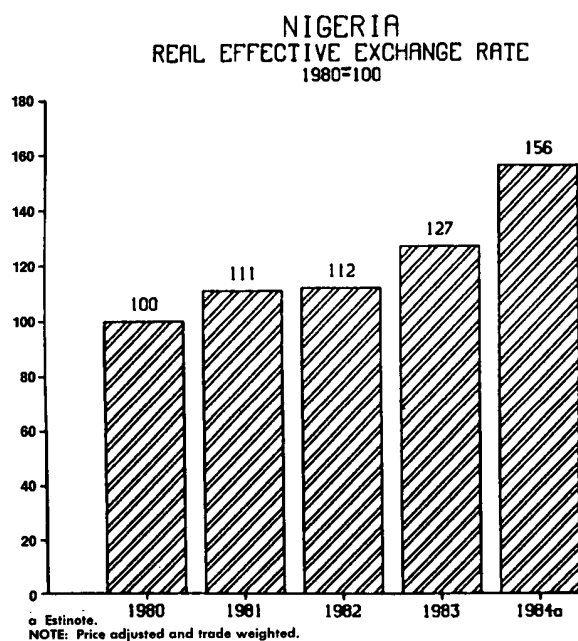
- Over 1,500 paths leading to Niger were discovered in Sokoto state in December 1984, and the US Embassy reported that the practice of bribing border inspectors to allow passage of goods flourishes along the supposedly closed borders.
- Cargoes of corn, millet, and other grains were seized in Sokoto state just before crossing into Niger, according to a Nigerian press report.

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- [] large amounts of naira on sale on both sides of the border with Cameroon; their value had fallen 300 percent against the CFA franc on the black market in early 1985. []

Outlook

We believe that Nigeria will continue to hold out against the IMF-sought devaluation unless the top leadership changes. General Buhari and Chief of Staff Tunde Idiagbon have been the most outspoken in their opposition and, in our judgment, have made the refusal to devalue a point of Nigerian sovereignty. The Buhari regime has created a self-fulfilling prophecy—by convincing Nigerians a devaluation would be disastrous, any sizable devaluation in the near future probably would have severe political repercussions. []

Nigeria's foreign exchange predicament, however, is not a short-term situation. Additional reductions in imports will be required during 1986 and 1987 because debt service payments are scheduled to increase while income is expected to be stagnant at best. Although debt service will peak in 1987, we expect debt obligations to remain high throughout the decade, based on analyses by major banks. []

The economic decline probably will continue during 1985-87 even if oil revenues remain steady. Without rescheduling, debt service could claim at least 60 percent of export earnings in 1987, after consuming about 45 percent and 50 percent in 1985 and 1986, "respectively." If Nigeria's mounting debt service does not force the regime into an IMF agreement, Lagos might fall behind on debt payments. This probably would result in a cutoff of trade credits that could lower oil income further because of difficulties in purchasing oil equipment and supplies. []

We believe that rising unemployment and inflation, severely restricted credit, and the need to increase imports will finally produce economic pressures severe enough to compel Lagos—either the Buhari regime or a successor—to agree to an IMF program. Some technocrats in the government have urged acceptance of IMF terms to ease the foreign exchange crisis and to permit a broad rescheduling of debt. Because the Buhari government has limited its own options by making its anti-IMF stance a matter of national policy, however, the inflationary impact of a Buhari-declared devaluation probably would bring the regime down. The agreement might be more palatable to Nigerians if it could be presented by a new head of state, taking advantage of the popularity gained by the end of the Buhari regime. The urgent need to settle with the IMF, in fact, could prove to be the factor that leads to Buhari's replacement. []

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Kenya: Rapid Population Growth Constrains Development

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We believe that Kenya's current rate of explosive population growth will continue through the end of the century. The United Nations projects the 1985 Kenyan population of 20.6 million to grow to about 39 million by 2000. Most US and Kenyan demographers agree that the population will nearly double in this period.

The current rate of natural increase is estimated at slightly over 4 percent per year—the highest ever recorded for a single country—as deaths have declined rapidly with little compensating decline in the number of births. The crude death rate (crude rates are the number of deaths or births per thousand population) has dropped more rapidly than in almost any other developing country and now is estimated to be in the 11 to 14 per thousand range. According to survey and census data, the crude birthrate may actually have risen in recent years, and currently ranges between 50 to 55 per thousand (the US figure is 16 per thousand).

In our judgment, the projected addition of 1 million people annually during the next decade will overwhelm the government's ability to raise social and economic living standards. The government's resources will be stretched to the breaking point to provide basic education, health care, housing, and employment opportunities for the population, 50 percent of which will remain under the age of 15 throughout this period.

Education. Despite policies that emphasize education, a smaller percentage of children attend school now than in 1975, according to the US Embassy in Nairobi. Opportunities most likely will dwindle even further over the next 15 years, as the already overcrowded school system struggles to absorb the projected 90-percent increase in the numbers of new enrollees between 6 and 11 years. Kenyan Government outlays for education already represented 21 percent of total expenditures in 1981, a far greater proportion than in any of the other 34 economies that the World Bank designates, with

Kenya, as among the lowest-income economies in the world; those 34 averaged about 6 percent for educational expenditures.

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Health Care. In 1980 there was one physician for every 8,000 persons in Kenya (the figure in the United States was one for every 520), and one nurse for every 550 (the US figure was one for every 140), according to World Bank statistics. This shortage of qualified health personnel probably will grow because of the relatively small number of health workers being trained.

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An estimated 8 percent of total central government expenditures are allocated to health services. The World Bank projects that spending on health would have to rise by about 80 percent between now and 1990 simply to maintain the present level of services for the growing population. To improve coverage and quality of service significantly, Nairobi would have to increase its outlay by 150 percent.

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Housing. Although there is little current data, the estimated 9-percent annual increase in Nairobi's population in recent years has served to exacerbate, in our opinion, what was already a serious housing shortage a decade ago. World Bank studies in the early-to-middle 1970s found that about 40 percent of the Nairobi population was dependent on housing in squatter settlements and that conditions probably were worse in other urban areas. Approximately 55,000 more housing units were needed in Nairobi alone by 1975, plus an additional 10,000 to 12,000 units per year for newly formed households and new residents. Because only 6,000 public housing units were then in the planning stage and private housing generally was too expensive for the majority of residents, the government began to upgrade squatter

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settlements and earmarked some money for self-help efforts. We judge that conditions are much worse today because of the rapid growth in the numbers of urban dwellers. We also suspect there is a hidden housing shortage in rural areas.

Employment. The Kenyan labor force will double from 7.4 million today to 14.6 million people by 2000, according to estimates reported by the US Embassy. Only 1 million of the 7.4 million are working for wages in the modern sector. About a quarter of the wage earners work in agriculture, where pay is the lowest, according to US Embassy reporting. With arable land at a premium and few employment opportunities in rural areas for young people, large rural families find it necessary to send younger sons to the cities, which already are crowded with job seekers.

The unemployment shock is severe for young educated Kenyans, a volatile group of political concern to the government. The US Embassy estimates that 400,000 Kenyans who leave primary and secondary school compete for the 20,000 new jobs that the economy creates each year. In a few years, an alarming core of teenagers and people in their twenties will never have held a job and will pose immense political problems, according to the US Embassy.

The government manages the high unemployment problem among college graduates (the University of Nairobi graduates about 2,000 each year, and a like number of Kenyans graduate from foreign universities) by offering jobs to new graduates. The class of 1984 and 25 percent of the class of 1983, which was still unemployed six months after graduation, were promised jobs in the public sector, which already accounted for half of all wage employment in Kenya. Even though Western analysts report that revenues will no longer permit expansion of the public sector, the government is likely to continue to employ the politically volatile college graduates rather than risk the consequences of restricting the already small numbers of eligible students allowed into the universities or withdrawing the promise of public employment.

Nairobi's inability to convince couples to have fewer children or to institute an effective family planning program precludes a significant drop in the population growth rate through the end of this century.

According to Kenyan fertility surveys, Kenyan women have on the average eight births during their lifetime. The surveys indicate that a seven- to eight-child family is regarded in the country as an ideal size—this is three to four children more than the average preference, according to similar surveys in 18 Asian and Latin American developing countries. Only about 17 percent of Kenyan women use a modern contraceptive method.

A government effort to integrate family planning into Kenya's overall development strategy seemed to be developing last year when both the President and Vice President publicly endorsed modern family planning methods as necessary to modern lifestyles and defended the government's family planning policy.

This commitment, however, does not extend to middle and lower levels of the health bureaucracy, which the US Embassy reports is characterized by indifference or even resistance. Thus, Kenya's family planning program lacks vigorous, sustained support from the government, which—coupled with involvement of people at the grassroots to plan and manage outreach programs—is characteristic of successful programs in other Third World countries such as Indonesia.

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Africa Briefs

Nigeria

Concern Over Government's Repressive Actions ☐

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The recent public executions of three young drug traffickers from the southern region have provoked a nationwide protest. US Embassy and press reports indicate that two of the three prisoners were executed under a decree made retroactive to December 1983. Some military personnel have joined in criticizing the severity of the punishment, ☐

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The executions are part of a series of increasingly harsh tactics adopted recently by the government. We believe such coercive policies probably reflect senior officials' concern about the regime's stability and their own security. The crackdown apparently has backfired, however, as the government continues to lose legitimacy. Members of Nigeria's business and professional communities are alarmed at the government's increasing use of repressive tactics, ☐

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☐ They allege that the security service has illegally confiscated property of people who have disappeared after questioning and who are thought to have hard evidence of corruption at high levels of the government. ☐

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Central African Republic

Austerity Measures Spur Discontent ☐

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Discontent with austerity measures is rising among urban elites. Unemployed university graduates, college and high school students, and recently laid off civil servants are trying to organize a general strike to protest cutbacks in public-sector employment, ☐. General Kolingba's military government, which has curtailed public expenditures along IMF guidelines, has stopped giving college scholarships to all high school graduates and providing automatic civil service employment to university graduates. ☐

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Senior government and police officials are concerned that a strike could provoke civil unrest, as in 1979 when student strikes helped to bring down former Emperor Bokassa, ☐. Moreover, the southern-based regime is beset by political factionalism and opposition from northern tribes. Kolingba continues in power largely because of support from France, which keeps some 1,300 troops in the country to meet regional defense commitments, particularly in Chad. ☐

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Despite adhering to an IMF standby program in 1984 and improving economic management, the Central African Republic faces a growing debt burden. While modest by world standards, an outstanding debt of about \$240 million—for an economy with a GNP of about \$700 million—has forced the regime to reschedule twice with the Paris Club and twice with France since 1981. Bangui is seeking additional funds for 1985 and 1986 through an 18-month follow-on program with the IMF and a structural adjustment loan from the World Bank. The CAR's ability to meet its external debt payments also will depend heavily on support from France, the country's principal benefactor and creditor, which already provides some \$10 million per year in budgetary support, according to the US Embassy.



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Zambia**Government Shakeup**

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President Kaunda's late-April announcement of major personnel changes in his Cabinet and the ruling United National Independence Party (UNIP) probably will have little impact on the country's domestic and foreign policies. Kaunda's longtime confidant and security adviser, Alexander Grey Zulu was named Secretary General of the UNIP—the second most important post in the Zambian bureaucracy—and several members of the party's Central Committee were given new assignments, according to US Embassy reporting. Former Minister of Education and Culture Musokotwane was appointed prime minister, and Army commander Masheke was named minister of defense. The choice of General Masheke as Defense Minister—the first time a military man has held the post—gives the appearance of showing Zambia's military that their interests are represented at the cabinet level. Kaunda may be trying to stem grumbling in the military over low pay and lack of effective leadership.



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